

## **Opening comments to HORSCATSIA Inquiry into capacity building in Indigenous communities, 23 October 2002**

On behalf of the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University (ANU), I welcome this opportunity to make early submission to the Committee's Inquiry into capacity building in Indigenous communities. Will Sanders and I compiled a fairly succinct, by academic standards, 15-page formal submission on behalf of the Centre and we have provided the Committee with a number of exhibits that address a wide range of governance and capacity development issues that impact on Indigenous communities, ranging from a focus on the capacity of state agencies to deliver policies, programs and services to Indigenous communities, to the capacity of community-based Indigenous organisations to deliver these, to the capacity of Indigenous individuals and families to make use of such interventions and services.

As a witness today, I am joined by Will Sanders and Diane Smith, in large part because we anticipate that our initial discussions will focus on issues of community governance and organisational capacity development. The three of us participated in the Indigenous Governance Conference convened by Reconciliation Australia in April this year and between us we have totaled nearly 75 years of research on Indigenous policy issues. With us today as observers are a number of other CAEPR staff with different research expertise that the Committee may wish to utilise in future hearings, expertise on population and mobility, education, land rights, native title and particular regions like the Torres Strait, central Australia, Cape York, and so on.

In meeting today, we believe that an inquiry into capacity development represents an opportunity to explore many of the difficulties that Indigenous communities, in all their diversity, face as they seek, or are inevitably drawn into, engagement with the wider Australian economy and society as part of the processes of globalisation. But it is also important to be clear about what it is that we might be exploring. There is a contestable view, at present, that the last thirty years represents a period of policy failure, a view that many within CAEPR do not share. Equally, there is an emerging view, much based on international experience in very different circumstances, that capacity building and sound governance are essential preconditions for Indigenous development—with development itself being a hotly contested notion varying along a spectrum from the very wide Amartya Sen sense of 'development' as a 'process of expanding the real freedom that people enjoy', to narrower more conventional notions like economic growth as measured by income per capita, formal employment levels and independence from welfare.

In fact the issue of capacity development cannot be divorced from wider issues like the education, health, housing and employment status of Indigenous people where social indicators indicate there have been significant shortfalls for as long as we have been able to measure, since the 1971 Census. It is arguable if capacity development will be a panacea for Indigenous underdevelopment or whether these other contributing factors will need to be addressed first, both holistically and on an equitable needs-based funding formula. And then there are the structural factors, so often overlooked, the location of many discrete Indigenous communities in regions that lack commercial opportunity,

where irrespective of capacity (or ethnicity) development will never match that of mainstream metropolitan Australia currently enjoying rapid economic growth.

CAEPR often takes the policy realistic, culturally- and situationally-informed middle road in public debates about so-called 'new approaches' to enhance Indigenous prospects in Australia. At the outset we make the following broad observations to kick start our discussions today:

- An inquiry into capacity building for Indigenous communities will invariably focus on discrete Indigenous communities of which there are about 1,200 with a population of about 100,000 or 22% of the Indigenous population according to 2001 Census estimates—these are the most highly visible Indigenous population agglomerations
- Most of these communities are in rural and remote regions, where relatively more recent colonisation makes many of these communities more culturally different than mainstream Australia. Nevertheless, these communities are invariably inter-cultural, their populations are mixed, and people live in situations that are culturally complex including elements of both contemporary Indigenous and western economic, social and legal institutions and value and belief systems
- These communities are serviced by several thousand organisations, many community-controlled and many operating very effectively given their difficult interface roles, mediating between state agencies and Indigenous clients—there is considerable exemplary practice in the Indigenous sector and also much failure
- The issue of enhancing the capacity of such organisations operating in a myriad of fields—economic, social, service delivery, economic development, cultural maintenance, etc etc—has been noted many times in the last three decades, but there has been little policy innovation or program support. These organisations are struggling to operate effectively in very difficult circumstances often with inadequate financial and human resources, many face real diseconomies of isolation and small scale
- It is highly unlikely that focusing on 'them' rather than 'us' will generate positive outcomes, such an approach will only exacerbate power differentials between state agencies and private sector interests on one hand and Indigenous organisations and communities on the other—capacity development needs to enhance cross-cultural communications; in any case in reality Indigenous communities are less and less a sector and more and more inter-linked with all aspects of Australian society and economy
- Ultimately, capacity development must look to how best to marry the very diverse inter-cultural and different perspectives of Indigenous communities and their mediating organisations with the performance and accountability expectations of the wider Australian public and state agencies. As our submission emphasises this will require capacity development for all and more holistic less fragmented approaches to Indigenous community development.

Jon Altman  
Director, CAEPR  
23/10/02